PUBLIC SERVICE COMMISSION
STATE OF MONTANA

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December 19, 2012

Ms. Rita A. Mulkern
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismark, North Dakota 58501

RE: Data Request in Docket D2012.9.100

Dear Ms. Mulkern

Enclosed please find Montana Public Service Commission data request PSC-002 through PSC-013 to Montana-Dakota Utilities Co. regarding the application and supporting testimonies in the above-referenced docket. If you have any questions, please contact me at (406) 444-6185.

Thank you for your cooperation on this matter.

Sincerely,

Mike Dalton
Rate Analyst
Montana Public Service Commission

Enclosure

cc: Service list

Service Date: December 19, 2012

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF the Application of Montana-Dakota Utilities Co. for Authority to Establish Increased Rates for Natural Gas Service in the State of Montana	))))	REGULATORY DIVISION DOCKET NO. D2012.9.100

MONTANA PUBLIC SERVICE COMMISSION DATA REQUEST PSC-002 THROUGH PSC-013 TO MONTANA-DAKOTA UTILITES CO.

PSC-002

Regarding: General Operations
Witness: n/a

a. Please provide an electronic copy of Schedule L-2, with the addition of the corresponding FERC account number for each line item on the Schedule. The requested account numbers are in reference to FERC's Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act. Please clearly identify each line item with the corresponding account number. Please also leave all links and formulas intact.

PSC-003

Regarding: Billings Landfill Project (Project)
Witness: Aberle/Morman

a. Please provide MDU's estimated output (in dkt) of the Billings Landfill Project over the next 10 years. Does MDU expect the Project to produce natural gas during all hours of the year?

b. Please explain why MDU classified the cost of the Billings Landfill Project as only energy-related in both cost of service studies.

c. Mr. Morman states that initial studies of the Billings Landfill Project indicated that natural gas could be developed for about $6 per dkt from the Project. Now that MDU has built the Project and it is in service, do the results of those studies seem accurate?

d. Please explain the method MDU used to apportion the costs of the Project among the different jurisdictions in its service territory.

e. Please explain how the royalty paid to the City of Billings is calculated.

PSC-004

Regarding: Natural gas costs
Witness: various

a. Please provide MDU's 10-year projection of natural gas supply costs.

b. Please identify any natural gas producing assets MDU plans to acquire in the next 10 years, including additional landfill projects.

c. Ms. Aberle includes $0.06/dkt from the Billings Landfill Project as part of the marginal cost of gas in MDU's marginal cost study. Does MDU believe that $0.06 per dkt is an accurate representation of the marginal cost of natural gas? Does MDU believe the $0.06 represents an energy cost or a capacity cost?

PSC-005

Regarding: Mains
Witness: Aberle

a. Please explain how MDU calculated the cost of mains on Page 13 of Exhibit No.__(TAA-3) (Line 19 in the electronic form of Exhibit No.__(TAA-3)). Please provide any receipts or supporting work papers that were used to derive the cost.

b. Are all residential customers served off of the same sized main (in diameter)? Does MDU have any customer class in which all customers are served off of the same sized main? If so which classes?

c. In its most recent electric rate case (docket no. D2010.8.82), MDU proposed to use an average and excess demand allocation method to distribute transmission-related costs between both the demand and energy components of service, in both its marginal and embedded cost of service studies.[1] Would it be reasonable to use the average and excess demand allocation method to allocate distribution mains in this case? If not, please explain why.

PSC-006

Regarding: Calculation of allocation factors
Witness: Aberle

a. Please describe how MDU measures 'Peak Day @ Distribution' (allocation factor 5) for each of its customer classes. If some or all members of a particular customer class do not have meters please fully explain how MDU measures use for that class.

[1] P. 14 Heidell direct testimony and P. 5 Aberle direct testimony in docket no. D2010.8.82.

b. Please provide the supporting information and/or work papers MDU used to derive its cost for the 'average installed meter cost' used in its calculation of allocation factor 10. Please include the number of meters installed and the cost for each of those installed meters.

c. On page 7 of Exhibit No.__(TAA-3), it appears only 8 of the 9 distribution plant additions were included in the calculation of 'Demand-Related Distribution Investment per Additional Mcfd of Distribution Capacity'. Was this intentional? If so, please explain.

d. Regarding the distribution plant additions referred to in part (c), please describe the nature of each project including all causal factors that contributed to the Company's decision to undertake each project and the criteria for determining the design capacity for each project.

e. Please estimate the cost savings for each of the distribution plant additions referred to in part (c) if the design capacities were reduced by 50%.

PSC-007

Regarding: Calculation of allocation factors 2 and 5
Witness: Aberle

a. Please provide, in electronic format, the complete regression analysis MDU used to calculate allocation factors 2 and 5. Please include all underlying data, supporting work papers, and documentation. Please also explain the method MDU used to determine weather-normalized volumes.

b. Please provide a brief explanation of the method used to calculate the 'Use per Degree Day per customer' and 'Daily Baseload per customer' values.

c. Over what period of time did MDU inspect to determine the annual peak day is January 31, 2011?

d. Please provide the daily load figures for each of MDU's customer classes over the time period that MDU inspected when determining the annual peak day.

e. Please explain how MDU measures the daily load for each of its customer classes. If sampling is used to estimate any class load, please fully describe the sampling process.

PSC-008

Regarding: Natural gas load forecast
Witness: Aberle

Was the natural gas load forecast used by MDU in this docket calculated assuming MDU's current rates for natural gas? Please provide a detailed description of the method MDU uses to forecast its natural gas load.

PSC-009

Regarding: Rate design
Witness: Aberle

a. Please explain why MDU is requesting a basic service charge which uses a daily rate structure instead of a monthly rate structure.

b. If the PSC accepted MDU's proposal to use a daily rate to calculate MDU's basic service charge, would a customer bill also display the basic service charge as a total for the entire month?

c. Does MDU offer a budget billing option to its customers?

d. MDU's embedded cost of service study indicates that MDU is under-earning in both the demand and customer components of service for the residential class. Why is MDU proposing to increase only the basic service charge, which appears to be the basis for revenues of the customer component of service, in its proposed rate design? Should both the demand and customer components be moved to closer to their respective cost of service?

PSC-010

Regarding: Statement L, meter groups
Witness: Aberle

a. The hard copy of Statement L attached to Ms. Aberle's testimony, p. L-27, calculates average weighted meter costs. Please clarify whether the costs shown on this page include regulator costs.

b. Please explain what distinguishes the meter groups for the residential class and what the numbered sizes refer to. For example, does the 250 size for Group 1 imply that the meter is rated at 250 cubic feet per hour?

c. Are the 650 size Group 1 meters and the Group 2 large diameter meters master meters that serve multiple residential units? If not, what accounts for the need for these larger meters?

d. Please provide information supporting the meter costs and expected economic lives.

PSC-011

Regarding: Large and small interruptible transport customer loads
Witness: Aberle

a. For each of the large interruptible transport customers shown in the electronic copy of Statement L (provided in data response PSC-001), under the tab labeled "MT Dist. Direct Alloc," provide the average daily throughput by month for the last 5 years and the actual daily throughput for 2011.

b. Does the inclusion of volumes for the small and large interruptible transport customers in the calculation of the Factor 2 and Factor 5 embedded cost study allocation factors (see the tab labeled "1 Day Pk Deliveries Revised") indicate that these customers also purchase some amount of firm sales service? If not, please explain why these peak demand allocation factors include volumes from interruptible customers.

c. For the small interruptible transport customers, provide the aggregate average daily throughput by month for the last 5 years and the actual aggregate daily throughput for 2011.

d. Provide weighted Montana (see p. L-25 in Statement L attached to Ms. Aberle's testimony) monthly and peak day heating degree day data for the last 15 years.

e. Please explain the basis for assigning interruptible customers peak day volumes based on 100% load factors (see the tab labeled "1 Day Pk Deliveries Revised").

PSC-012

Regarding: Heating season loads
Witness: Aberle

a. Please provide MDU's definition of its heating season and summarize any underlying load analysis behind that definition.

b. Please identify and discuss any distribution system constraints that affect MDU's seasonal strategy for storing natural gas for heating season use.

c. Does MDU ever have to forego using reserved pipeline capacity to inject gas into storage for heating season use in order to instead supply non-heating season load? If so, please describe the frequency and reasons for such situations.

PSC-013

Regarding: Rate schedules
Witness: Aberle

a. Please explain the reason for the reduction in the Rate 71 maximum distribution delivery charge from $.742 per dk to $.734 per dk. Is this reduction tied to either the embedded or marginal cost study?

b. What is the reason for the difference in the maximum distribution delivery charges for Rate 71 and Rate 85; is it due to service priorities under interruptible tariff provisions or to other cost of service factors?

c. Please provide a brief explanation of the origins of Rate 93 and clarify whether these customers use MDU's distribution system.

d. Does the $0.04 per Mcf rate in Rate 93 tie to MDU's embedded or marginal costs of service? If so, please explain.

e. Please provide a real or hypothetical example of the calculation of the Maximum Allowable Investment for a firm gas service extension under Rate 120 and explain how the Project Estimated 3rd Year Annual Dk is calculated.